



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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March 5, 1998

Tony Bates  
Umetco Minerals Corporation  
2754 Compass Drive, Suite 280  
P.O. Box 1029  
Grand Junction, Colorado 81506

Re: Notification of Suspension of Mining Operations, Umetco Minerals Corporation (Umetco),  
Calliham Mine - M/037/023; Deremo-Peterson Mine - M/037/025; and Wilson-Silverbell -  
M/037/027, San Juan County, Utah

Dear Mr. Bates:

In response to your recent telephone inquiry we have reviewed our files for the three mine operations described above. Our files do not include a formal written notification from Umetco Minerals Corporation describing a prolonged suspension of operations for these operations. Umetco's annual reports are the only documents addressing this suspension of operations. The reports generally describe the mines as being in standby status until the market justifies reopening. The Calliham annual reports state the site was last active in 1991 and became inactive in 1992. The Deremo-Peterson and Wilson-Silverbell annual reports state these sites were active in 1990 and became inactive in 1991.

According to the Minerals Rules section R647-4-117 - Notification of Suspension or Termination of Operation - Paragraph 3 states: "the operator shall give the Division prompt written notice of a termination or suspension of large mining operations expected to exceed five (5) years

To remedy this situation, please provide written notification of the prolonged suspension for each of these operations. In this notification please include a description of the current surface disturbance at each site, measures currently in place at each site to minimize safety hazards and environmental harm, reclamation proposed at the site for the upcoming year, and reclamation which has been performed at the site since going into suspension. Please provide an estimate of the duration of the suspension period.

We apologize for allowing this error to go unnoticed for such a long time. Thank you for bringing this matter to our attention and for your cooperation in resolving the matter. If you have any questions regarding this requirement, please contact me at (801) 538-5267.

Sincerely,

Anthony A. Gallegos  
Senior Reclamation Specialist